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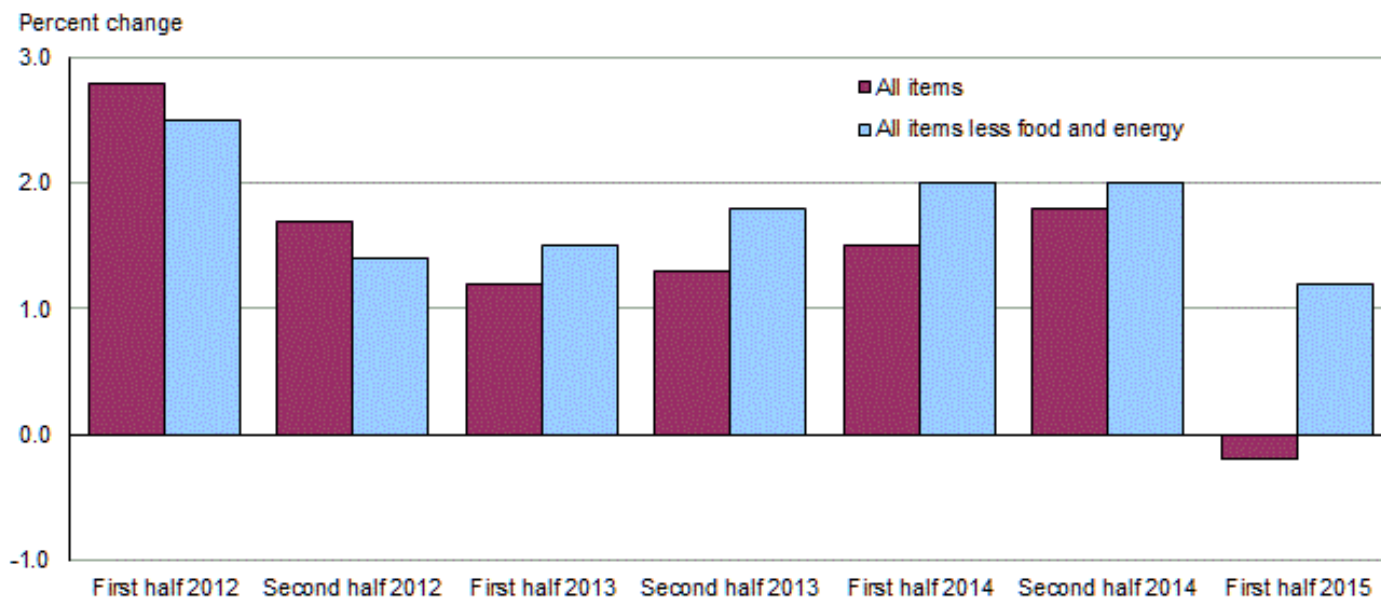
Consumer Price Index, Phoenix – First Half 2015

Area prices down 0.7 percent over the past six months, down 0.2 percent from a year ago

Prices in the greater Phoenix area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), decreased 0.7 percent in the first half of 2015, the U.S. Bureau of Labor Statistics reported today. (See [table A.](#)) Regional Commissioner Richard J. Holden noted that this latest six-month decrease was influenced by lower prices for gasoline. (Data in this report are not seasonally adjusted. Accordingly, six-month-to-six-month changes may reflect seasonal influences.)

Over the past 12 months, the CPI-U edged down 0.2 percent. (See [chart 1.](#)) Energy prices moved down 15.1 percent, mainly due to a drop in the price of gasoline. The index for all items less food and energy increased 1.2 percent over the year.

Chart 1. Over-the-year percent change in CPI-U, Phoenix, first half 2012–first half 2015



Source: U.S. Bureau of Labor Statistics.

Food

Food prices advanced 0.5 percent in the first half of 2015. (See [table 1.](#)) Prices for food away from home increased 1.7 percent for the past six months, but prices for food at home declined 0.3 percent.

For the year ending in the first half of 2015, food prices rose 3.0 percent. Prices for food at home advanced 3.3 percent during the past 12 months, and prices for food away from home increased 2.8 percent.

Energy

Energy prices dropped 14.4 percent since the second half of 2014, influenced by lower gasoline prices (-22.5 percent). Prices decreased for electricity (-6.4 percent), but prices for natural gas service increased 0.3 percent during the first half of 2015.

Energy prices fell 15.1 percent over the year, largely due to a decrease in gasoline prices (-29.2 percent). In contrast, prices increased for natural gas service (7.3 percent) and electricity (2.2 percent) during the same period.

All items less food and energy

The index for all items less food and energy increased 0.6 percent from the second half of 2014 to the first half of 2015. Prices increased for shelter (1.6 percent) and medical care (1.6 percent). Partially offsetting the increases were lower prices for household furnishings and operations (-3.9 percent).

Over the year, the index for all items less food and energy advanced 1.2 percent. Prices increased for shelter (3.3 percent) and medical care (2.7 percent). In contrast, lower prices were reported for household furnishings and operations (-5.8 percent), apparel (-1.1 percent), and education and communication (-0.6 percent).

Table A. Phoenix CPI-U semi-annual and annual percent changes (not seasonally adjusted)

Month	2010		2011		2012		2013		2014		2015	
	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual
First Half	0.3	0.7	2.1	2.2	1.6	2.8	1.1	1.2	1.2	1.5	-0.7	-0.2
Second Half	0.1	0.4	1.2	3.3	0.1	1.7	0.2	1.3	0.5	1.8		

The second half of 2015 Consumer Price Index for Phoenix is scheduled to be released mid-January 2016.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 6,000 housing units and approximately 24,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/homch17_a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The Phoenix-Mesa metropolitan area covered in this release consists of Maricopa and Pinal Counties in the State of Arizona.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods Phoenix-Mesa, AZ (1982-84=100 unless otherwise noted)

Item and Group	Semiannual average indexes			Percent change to 1st half 2015 from-	
	1st half 2014	2nd half 2014	1st half 2015	1st half 2014	2nd half 2014
Expenditure category					
All items	127.490	128.157	127.288	-0.2	-0.7
All items (1967=100)	-	-	-	-	-
Food and beverages	136.255	139.260	139.859	2.6	0.4
Food	136.950	140.422	141.126	3.0	0.5
Food at home	140.739	145.856	145.418	3.3	-0.3
Food away from home	132.346	133.835	136.046	2.8	1.7
Alcoholic beverages	128.849	126.996	126.530	-1.8	-0.4
Housing	122.261	124.081	124.442	1.8	0.3
Shelter	120.396	122.357	124.314	3.3	1.6
Rent of primary residence	123.834	125.782	127.630	3.1	1.5
Owners' equiv. rent of residences ⁽¹⁾	119.693	121.741	123.623	3.3	1.5
Owners' equiv. rent of primary residence ⁽¹⁾ ..	119.693	121.741	123.623	3.3	1.5
Fuels and utilities	160.186	166.408	161.474	0.8	-3.0
Household energy	163.311	177.745	167.607	2.6	-5.7
Energy services	162.935	177.462	167.474	2.8	-5.6
Electricity	172.419	188.252	176.163	2.2	-6.4
Utility (piped) gas service	114.314	122.254	122.663	7.3	0.3
Household furnishings and operations	104.844	102.751	98.753	-5.8	-3.9
Apparel	137.272	135.143	135.734	-1.1	0.4
Transportation	125.669	122.453	114.928	-8.5	-6.1
Private transportation	127.117	123.881	116.477	-8.4	-6.0
Motor fuel	284.357	259.792	201.311	-29.2	-22.5
Gasoline (all types)	284.210	259.552	201.142	-29.2	-22.5
Gasoline, unleaded regular ⁽²⁾	289.461	263.679	202.685	-30.0	-23.1
Gasoline, unleaded midgrade ^{(2) (3)}	280.662	258.852	208.327	-25.8	-19.5
Gasoline, unleaded premium ⁽²⁾	270.242	248.955	197.593	-26.9	-20.6
Medical care	160.229	162.016	164.620	2.7	1.6
Recreation ⁽⁴⁾	111.544	110.699	111.487	-0.1	0.7
Education and communication ⁽⁴⁾	122.594	122.316	121.799	-0.6	-0.4
Other goods and services	138.494	138.983	138.248	-0.2	-0.5
Commodity and service group					
All Items	127.490	128.157	127.288	-0.2	-0.7
Commodities	123.457	122.303	118.704	-3.8	-2.9
Commodities less food & beverages	116.666	113.486	107.866	-7.5	-5.0
Nondurables less food & beverages	153.786	148.461	137.502	-10.6	-7.4
Durables	84.988	83.572	82.364	-3.1	-1.4
Services	130.486	132.311	133.176	2.1	0.7
Special aggregate indexes					
All items less medical care	125.573	126.176	125.110	-0.4	-0.8
All items less shelter	131.206	131.133	128.758	-1.9	-1.8
Commodities less food	117.115	113.991	108.585	-7.3	-4.7
Nondurables	144.830	143.845	138.869	-4.1	-3.5
Nondurables less food	151.670	146.650	136.595	-9.9	-6.9
Services less rent of shelter ⁽¹⁾	143.042	144.728	144.212	0.8	-0.4
Services less medical care services	127.240	129.008	129.721	1.9	0.6
Energy	214.846	212.882	182.330	-15.1	-14.4
All items less energy	122.310	123.386	124.077	1.4	0.6
All items less food and energy	119.955	120.693	121.380	1.2	0.6

Note: See footnotes at end of table.

Footnotes

- (1) Index is on a December 1982=100 base.
- (2) Special index based on a substantially smaller sample.
- (3) Indexes on a December 1993=100 base.
- (4) Indexes on a December 1997=100 base.
- Data not available.